

Good morning,

I'm emailing you to give my testimony regarding recent issues with Labor rate reimbursement from my Auto insurance company to my Body shop 'Total Care Accident Repair'.

My wife was recently involved in a minor accident where it appears more likely than not she is not at fault. Information was exchanged and a police report was written.

My next step was to call my Insurance Company, which I did. I then went to Total Care Accident Repair, as I have in the past without incident, because they do amazing work and handle everything for you. In speaking with Jack Lamborghini, it came up that I have Travelers Insurance. He mentioned to me that there could be an issue with the labor rates because their rates of reimbursement are \$40/hour whereas Total Care's rates are \$64/hour and that there could be some out of pocket expenses for me if they won't pay.

As mentioned earlier it is believed this accident was not my wife's fault, so we were not happy to hear that we might have to pay anything to fix our vehicle.

An appraiser from Travelers came to my house to inspect the vehicle and provide an estimate. I forwarded that to Total Care and they notified me that the \$40/hour labor rate was part of the estimate. They sent an email requesting a supplement for the rate difference and asking Travelers to explain as to why the rates were so far apart. This is Travelers response;

"Dear Total Care Accident Repair:

*I have pasted this excerpt in blue from an email sent to you on September 3, 2021 for reference; I hope this reminder adds the clarity you are looking for. "Travelers has determined a prevailing market rate that applies to the majority of auto body repairs in MA. The rate we pay is based on that prevailing rate. For such repairs, where your posted rate exceeds the prevailing rate we will be unable to make any rate concession." Unfortunately, I have to deny your supplement for a rate change based on this. In the meantime, I have requested that the claim handler withhold payment on this claim until the customer confirms his intent to have repairs completed at your*

*shop and to therefore pay out-of-pocket for any costs in excess of the prevailing market rate. Going forward, our local staff appraisers will inform customers who express an intent to have repairs completed at your shop of your below posted rates to avoid similar confusion."*

I have dealt with Total Care in the past, with a previous insurance company, and have never had this issue. I do not believe that \$40/hour is the average of the majority of body shops, and if that is in fact the average rate for Mass, that is extremely low and impossible to believe that a shop could survive on those rates. I think a true study on the average rates needs to be done and have the rates updated accordingly.

I will continue to keep my business with Total Care because I do not want to sacrifice the quality that they provide from start to finish, but I will not be happy with the Insurance industry or the State of Massachusetts if I have to pay out of pocket for this repair. (The claim is still ongoing).

Thank you for your time, I hope my testimony has been helpful and goes a long way towards making necessary change.

Best regards,

Daniel Dupuis